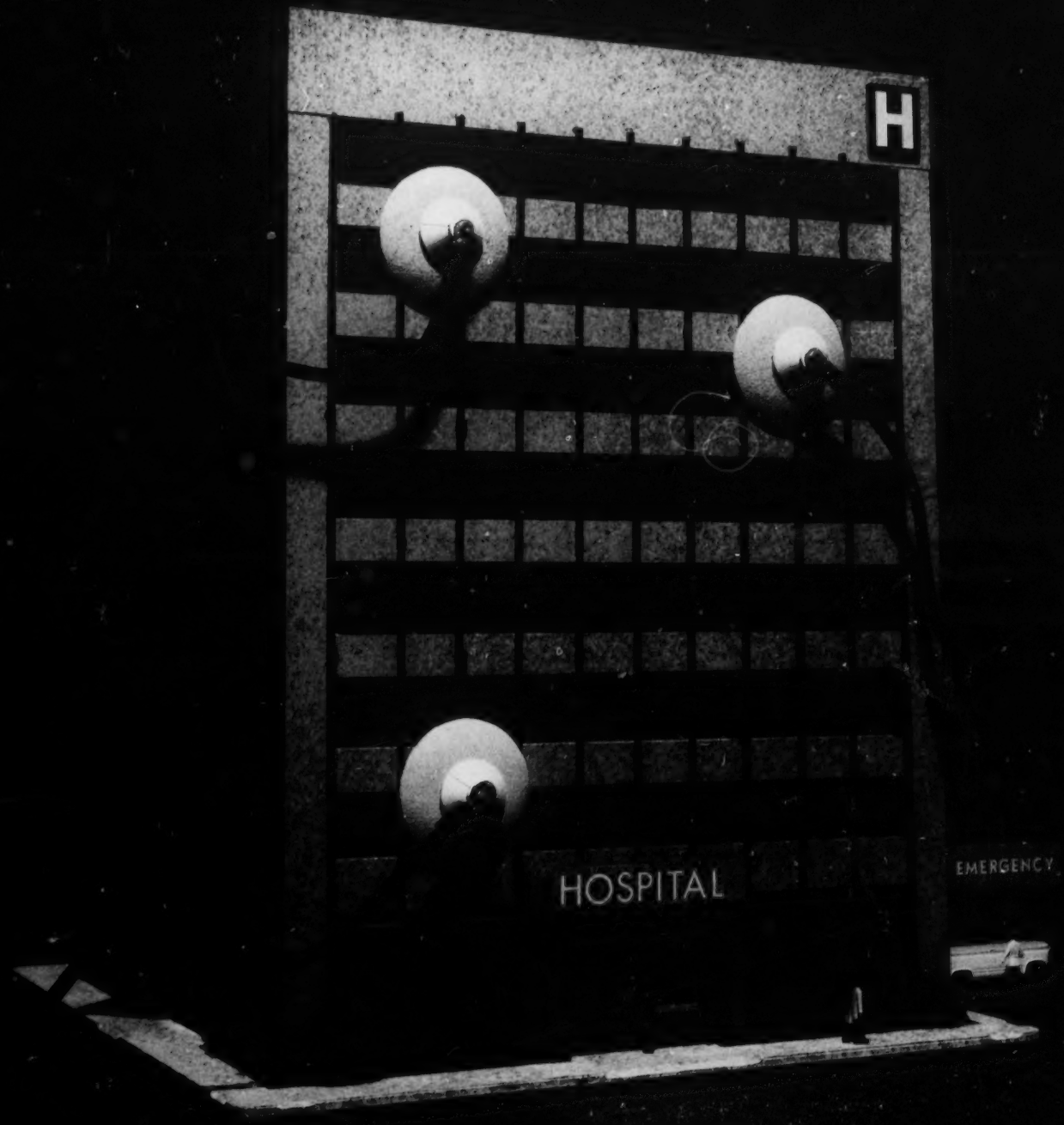
A8770-1

PUBLIC RELATIONS JOURNAL

December 1989 $4.00



Health Care
Critical Conditions

PUBLIC RELATIONS JOURNAL

December 1989 Vol. 45 No. 12

FEATURES

18 Health Care: Critical Conditions

The health care industry is under siege, as are public relations practitioners in the field. Senior professionals recommend strategies to help health specialists survive these turbulent times, guide their organizations confidently through the changing environment, and promote their programs, messages and images.

Kathleen Larey Lewton, APR

23 VNR Update: Facts versus Fiction

VNRs can be powerful public relations tools, if used correctly. *PRJ* offers its second annual reference chart to VNR suppliers' prices and methods. Plus, distributors and producers give their perspective on trends, as well as problems created by suppliers—and clients. *Adam Shell*

BRIEFINGS: Conference '89

6 Country's economic future: Two starkly different views offered • Pouring $80 million down the drain • "Organizational development" emerges as powerful consensus tool • "Japanese and U.S. media both distort public opinion" • Soviet: Information exchange is key in thawing US/USSR relations • Quick Takes • Communicating with stressed execs • Exploiting new communications technology • Managing issues management • Leadership Profile: Dalton seeks to strengthen PRSA's grass-roots foundation

WORKSHOP

29 Effectively using executive recruiters *George A. Rosenberg*

DEPARTMENTS

Inside Track ____ 4
VNRs: success and challenges
Karlene Lukovitz

Feedback ____ 5

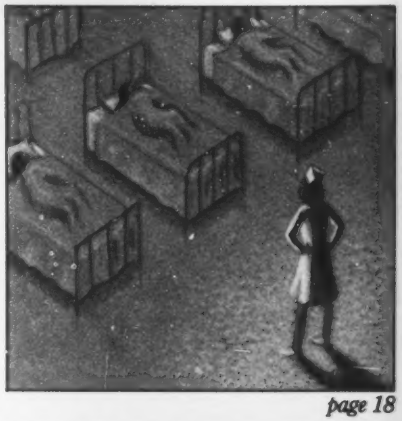
People ____ 32

Literature Showcase ____ 34

Fast-Close Classified ____ 36

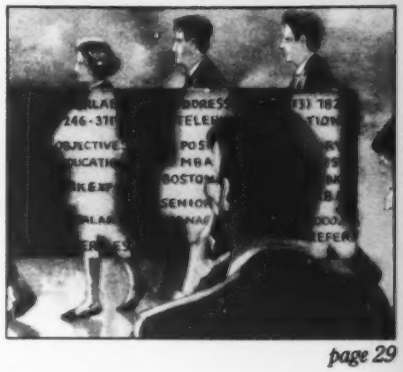
Advertiser Index ____ 38

My Favorite Failure ____ 40
The tease that backfired
Craig J. Settles



page 18

page 23



page 29

The *Public Relations Journal* is published monthly by the Public Relations Society of America, 33 Irving Place, New York, NY 10003.

Cover art: *James Nazz*

VNRs: success and challenges

Like the fax machine, which was around for years before it really hit its stride, the video news release is a tool that seems "overnight" to have become an integral part of doing business for public relations professionals.

And, as with any powerful new technology or medium, it will take time to work out the quirks and address the problems. With facsimiles, we've seen recipients complain of excesses—specifically, unsolicited "junk faxes." With VNRs, there have been problems from the start regarding how to accurately monitor and report on their use by TV stations. In addition, judging from an informal poll recently conducted by *PRJ* *(see page 23)*, a growing number of distributors/producers themselves are concerned about suppliers who deal in poor-quality VNRs lacking viable news or feature angles.

Other concerns center on how VNRs should be labeled and identified, and on the accuracy of their content. Some suppliers believe that sponsors and producers should be clearly identified at the beginning of all satellite feeds and on each tape duplicate. And many feel that there should be a code of ethics for the VNR industry.

VNR professionals say they fear that, if such self-regulation does not occur, the industry may actually be in danger of regulation by the federal government, akin to the "truth in advertising" regulations.

In fact, *New York Times* advertising columnist Randall Rothenberg reported that, during a recent conference on "media ecology" (the "study of interactions between a culture and its various means of communication"), many participants agreed with a marketing consultant, Eugene Secunda, who advocated government regulation of VNRs.

In response, Michael L. Friedman of DWJ Associates sent a letter to media and public relations professionals pointing out that DWJ had actually produced a successful VNR for Secunda before he "saw the heavenly light" and changed his opinion about the medium. "Video releases are no more insidious than press releases, news conferences or special events," he stated. "They are a public relations tool . . . How are all of us protected from this dangerous device? The same way we always have been—by the professionalism of local television news people." The first line of "defense," of course, should be public relations professionals themselves, who are obligated under PRSA's Code of Professional Standards to adhere to standards of truth and accuracy.

A few years ago, attempts were made to organize a VNR industry association that would address these concerns and challenges. The effort fizzled, apparently because the companies in the industry were too busy establishing themselves to devote significant time to such a group. Now that the industry has gained a much stronger footing, perhaps it's time for it to begin once again looking seriously at an association—for its own sake and for the sake of its clients.

Karlene Lukovitz, Editor

PRSA Public Relations Society of America
33 Irving Place, New York, NY 10003
(212) 995-2230

The Public Relations Society of America (PRSA) is an individual membership professional society of 14,265 public relations practitioners. Its major services to members include programs of Professional Development and Accreditation, an Information Center, publications, tracking of issues of national concern, and promotion of ethical practice through adherence to PRSA's "Code of Professional Standards." PRSA's mission is "To serve the public need for understanding and cooperation among its diverse interests by fostering high professional and ethical standards for all those practicing public relations."

Officers of the Public Relations Society of America: **John L. Paluszek,** APR, president; **H.J. (Jerry) Dalton, Jr.,** APR, president-elect; **Dolores M. Swift,** APR, secretary; **Joe S. Epley,** APR, treasurer; **Dwayne Summar,** APR; immediate past president; **Elizabeth Ann Kovacs,** CAE, executive vice president.

PUBLIC RELATIONS JOURNAL

Editor
Publications Director
KARLENE LUKOVITZ

Production Director
JAY WEISER

Executive Editor
JUDY A. GORDON

Senior Associate Editor
ADAM SHELL

Art Director
SUSAN YIP

Advertising Manager
JOSEPH R. RUTKE

Advertising Coordinator
Classified Sales
JOSEPH WHITFIELD

Subscriptions
PAUL MORRIS
(212) 995-2230

ABC

The Public Relations Journal (ISSN 0033-3670) is published monthly, except semi-monthly in June, by the Public Relations Society of America, 33 Irving Place, New York, NY 10003.
The second issue in June is the **Register** issue. Of the amount of dues paid by members of the Society, $16.00 is for a year's subscription to PRJ. Nonmember domestic subscription rates: $40.00 a year; $72.00 for two years; $106.00 for three years. Canada and all other foreign countries please add $2.50 to one-year rate; $5.00 to two-year rate; and $7.50 to three-year rate. Subscriptions must be paid in U.S funds with check drawn on a U.S. bank. Single copies $4.00 each. Second-class postage paid at New York, NY, and at additional mailing offices. **Postmaster:** Send address changes to the **Public Relations Journal,** 33 Irving Place, New York, NY 10003.
Members of the Canadian Public Relations Society receive the **Public Relations Journal** as a benefit of membership.

© Copyright 1989 by **Public Relations Society of America.**

Editorial Offices: 33 Irving Place, New York, NY 10003, (212) 995-2230.

Advertising offices: 33 Irving Place, New York, NY 10003
Display Advertising: (212) 995-5708
Classified Advertising: (212) 995-2266

VNR Update

An easy guide to VNR suppliers—plus suppliers' views on trends affecting VNR usage

Facts versus Fiction

Ask video news release distributors and producers what issues are affecting their businesses and their clients, and you may be surprised at the frankness of their replies. PRJ *did just that recently, in the course of gathering information for our annual VNR Update reference table—a handy guide to the methods and prices of VNR suppliers that starts on page 25.*

First, here's a summary of their comments on the status of the medium.

The people who make a living at distributing and/or producing VNRs have seen their medium become recognized and widely used as a valuable public relations tool, particularly during the past few years. But they're also realists about the capabilities of VNRs—perhaps more realistic than some of their clients.

They readily acknowledge, for instance, that a big news story will always run on television newscasts, whether the report is generated by a news organization or taken in whole or in part from a VNR. No doubt about it: A VNR covering a hot topic can reach huge audiences—if it's well produced and properly distributed and promoted. In August, for example, when the media hype on the "war on drugs" was at its apex, a VNR showing Colombia's President, Virgilio Barco, issuing a stiff warning to drug traffickers in his country was reportedly seen by 75 million TV viewers. In 1988, a VNR about Drexel Burnham Lambert's agreement with the U.S. Attorney's office concerning junk-bond king Michael Milken reached an estimated audience of 80 million.

But VNR pros will also tell you that most VNRs distributed to TV stations do not contain inherently big news stories, and therefore are not necessarily picked up by major networks (or even lots of local stations) or seen by multimillions of people. A more typical VNR does have news or genuine feature value, but most don't cause news editors to cry out, "What a story!" For VNR suppliers—and for public relations firms—who produce quality products and use smart distribution methods, clients with unrealistic expectations are a continuing problem. "If you can reach an audience of three to four million viewers—that's Nielsen or Arbitron viewers, not some pipe dream of viewers, but numbers of people who actually watch local news and talk shows—you've done a good job," says one major supplier.

However, those polled by *PRJ* also point to problems originating within their own ranks. Many say the industry is still plagued by some suppliers who grossly exaggerate the numbers of VNRs that they distribute each year in order to impress potential clients. In addition, for the many suppliers who strive to produce accurate usage reports, definitive monitoring remains a major problem, largely because getting and verifying the information from stations is so difficult. And again, some firms take advantage of the confusion to "fudge" their usage claims.

Particularly with "an increasing number of VNRs being produced, and independent stations and specialized programs on the increase, there is a greater need than ever for a creative solution," comments one VNR firm president. "Today, we have more than half a dozen firms claiming that they produce and/or distribute more than 100 VNRs per year—several in the range of 200 to 400," says another. "Yet, fewer than 250 commercial stations use handout VNRs, and each has less than two minutes of air time available each day for outside material." If all of these VNRs were actually being sent to TV stations and used, he notes, there would be precious little time left for anything else.

VNRs that are of poor technical quality or lack a real news or feature angle also damage the industry by undermining credibility with news organizations, VNR firm executives stress. "A deluge of mediocre VNRs flooding newsrooms does neither the industry nor clients any good," says one. Several emphasized that firms must stop agreeing to produce VNRs that they "know" will not be aired. One firm owner calls for strict guidelines, within the context of a code of ethics, to enforce clear identification of the sponsor/producer at the start of every VNR satellite feed.

He is not alone. Many of the two dozen VNR producers/distributors responding to *PRJ*'s poll expressed a need for an industry code of ethics that would address usage monitoring methods and quality standards and help to minimize practices that threaten the gradually improving image of the industry.

Company	*Primary Method of Distribution**	*Sample Distribution Rates, 1989*	*Does Company Notify Stations Before Sending Video?** If So, How?*	*Methods for Determining Station Usage (Standard Package)*	*Methods for Determining Audience Figures*	*Additional Information*
Sheridan Elson Gourvitz 20 West 37th Street New York, NY 10018 (212) 239-2000	Cassette	$5,500 for 100 stations; $7,500 for 150 stations; $9,500 for 200 stations; $12,000 for 300 stations	Yes: phone calls; three-up reply cards; and postage-paid reply cards	At least three phone calls to confirm; two mailings of postage-paid reply cards; final report includes confirmed users only plus those holding for future use (listed separately or together, depending on client request)	Arbitron daypart audience estimates for current year; also call station if not available in Arbitron; will also be using Larimi 7 audience totals	Prefer to write, produce and edit stories; distribute pieces that meet SEGIS station list requirements for legitimate news value
Targetron 156 Fifth Avenue New York, NY 10010 (212) 463-7668	Cassette	$2,800 for first 100 stations; $1,800 for each additional 100	Yes: phone calls to major markets only	Each station is called three times (first call to pitch); final two calls to determine use	Nielsen audience figures	
Video Techniques 600 301 Boulevard West Suite 188 Bradenton, FL 34205 (813) 746-4949	Satellite, Cassette	Production costs $9,000–$25,000, depending on options	Yes: personalized letters mailed to news directors at all TV stations, cable operators, syndicated broadcasts and networks	Nielsen; Burrelle's; and video-monitoring services	Nielsen audience figures; contact with stations regarding latest ratings for newscasts	
Vidicom 1776 Broadway Suite 1203 New York, NY 10019 (212) 757-7200	Cassette	Not Available	Yes: phone calls; letters; newswires	Phone calls to each station; reply cards; final report includes confirmed users only	Nielsen or Arbitron audience figures for specific show	"80%" of all our stories are picked up by newsfeeds (non PR), which add three to 10 million viewers
Visnews International 630 Fifth Avenue New York, NY 10111 (212) 698-4500	Satellite	Not Available (feed goes to 600 stations)	Yes: newswire; postcards; phone calls; and FAX	Reply cards (50% average return); phone calls; video-monitoring transcripts	Nielsen audience figures	Worldwide news gathering group that services the NBC TV network, Reuters, and BBC
VNR-1 325 Pennsylvania Avenue Suite 555 Fort Worth, TX 76104 (817) 878-5328	Satellite	$11,900 covers all costs for production, national satellite notification, distribution and Nielsen verification	Yes: Medialink newswire	Nielsen verification services	Nielsen audience figures for specific show	Staff made up of former broadcast news staff
West Glen Communications 1430 Broadway New York, NY 10018-3396 (212) 921-2800	Cassette	$9,500 for 100 stations; $14,250 for 200 stations	No	Reply cards (30% average return); send overdue letters to those who didn't reply (30% average return); call all others (up to six times); final report includes confirmed users and those holding for future use (listed separately)	Arbitron audience figures for specific show	"Guarantees" 40% pickup; offers rebate (based on per-telecast cost) if falls short; extra mileage programs for VNRs on cable and at motion picture theatres

*Many companies that use cassettes as their primary distribution method do turn to satellite for fast-breaking stories.
**Companies sending by satellite must prenotify so stations know when to downlink program.

MG Productions 26 East 64th Street New York, NY 10021 (212) 688-1455	Cassette, Satellite	$13,500 for 200 stations if cassette; $3,000–$9,500 for 100 stations by satellite	Only if fed by satellite	Reply cards (at least two mailings); followed by phone calls (up to six); final report includes confirmed users and those holding for future use	Arbitron audience figures for specific show at specific time slot	At time of production, additional footage can be shot to gear for distribution to specific shows
Modern Talking Picture Service 515 Madison Avenue Suite 3702 New York, NY 10022 (813) 544-7571	Satellite, Cassette	$4,000 for two dedicated ¼-hour feeds on separate days and times; includes notification to 675 stations, and TeleTrak 5 monitoring and reporting	Yes: combination of mail, newswire and/or phone calls	TeleTrak 5: response cards (20–30% return); Burrelle's clipping service; Sigma electronic monitoring; phone sampling to a minimum of 20%. Final reports include confirmed usage, and those holding for future use (listed separately)	Nielsen audience figures	Service option: "guaranteed" reach to over 1,500 cable systems through a major cable network
National Television News 23480 Park Sorrento, #201A Calabasas Park, CA 91302 (818) 883-6121	Cassette	$4,500 to 100 stations; $9,000 to 200 stations; based on advance requests	Yes: do advance notification soliciting requests	Reply cards; we keep phone calls to a minimum, finding that they generally create negative impressions among news people at stations	Information compiled from rating services and stations	Emphasis is on full-service package, stressing quality and thoroughness of planning and production
Newslink 122 C Street, NW Washington, DC 20001 (202) 737-9454	Satellite	$714 for two "exclusive" ½-hour satellite feeds to 714 stations; $2,750 for all pre-feed notification; $2,750 for all post-feed follow-up and survey usage report	Yes: overnight press release to assignment editor & one specialty reporter at 714 stations; 100 pre-feed phone calls to stations at random or in target market; UPI-TV newswire to 275 stations; FAX on request	100 post-feed phone calls; TV news monitoring services; final report includes confirmed users with air dates and times, audience sizes, plus those holding for future use; comments from 100 stations contacted in phone survey	Nielsen audience figures for total market audience and for specific show	Notification and distribution can be targeted nationwide, state or region; offers full production services
On The Scene Productions 5900 Wilshire Boulevard 14th Floor Los Angeles, CA 90036 (213) 930-1030	Cassette	$6,500 for top 80 markets (250–400 stations); $4,000 for top 40 markets; both include network affiliates, independents, syndicates and cable	Yes: phone calls to qualify station/program interest	Follow-up after shipment with phone calls; airchecks from variety of markets; re-present story, if necessary, until all cassettes accounted for	Use program rating figures for adults 18 and over	
Orbis Medical News 358 West Ontario Chicago, IL 60610 (312) 951-0619	Cassette, Satellite	$8,500 for 100 cassettes and national satellite feed to 700 stations	Yes: mailed advisory to 700 stations; phone pitch to 180; FAX to top users	Reply cards; monitoring service; phone follow-up to 180 stations	Nielsen audience for specific show	
Don Phelan 311 West 43rd Street Room 602 New York, NY 10036 (212) 586-2541	Satellite, Cassette	$11,950 for production and distribution, plus out-of-pocket expenses	Yes: first-class mail one week in advance and by wire the day before; phone calls to key stations in 40 cities	Postage-paid reply cards signed by news director; also verify by phone	Arbitron audience figures	
Planned Communication Services 12 East 46th Street New York, NY 10017 (212) 697-2765	Cassette	"Newsgram" offer mailing at $1.50 per station; requests filled with cassette and localizing information at $50–$55 per station	Yes: "Newsgram" to all news shows, some magazine shows offering cassette and help with localizing story	Mail and phone follow-up to person who requested package	Arbitron audience figures for time period	Localizing information can include experts to interview, ideas for local shooting; on-request distribution facilitates follow-up for usage and airchecks

*Many companies that use cassettes as their primary distribution method do turn to satellite for fast-breaking stories.
**Companies sending by satellite must prenotify so stations know when to downlink program.

Company	*Primary Method of Distribution**	*Sample Distribution Rates, 1989*	*Does Company Notify Stations Before Sending Video?** If So, How?*	*Methods for Determining Station Usage (Standard Package)*	*Methods for Determining Audience Figures*	*Additional Information*
DWJ Associates 295 Madison Avenue New York, NY 10017 (212) 684-4000	Satellite, Cassette	$10,000 for national satellite distribution; $12,500 for cassette	Yes: telex; phone; mail; or newswire to 2,000 programs; send cassettes to only those who request by phone, FAX or card (generally ranges from 90–175)	Nielsen/Sigma; phone calls (as many times as necessary until we get a yes or no); final report includes confirmed users only	Arbitron/Nielsen audience figures for specific show	"Guarantees" as many airchecks as client requests
Impressive Images 1640–21 Powers Ferry Road Atlanta, GA 30067 (404) 980–2537	Satellite, Cassette	$6,000–$25,000; based on hourly rate of $50 (project fees can be arranged)	Yes: Medialink's wireservice; phone calls; creative direct mail pieces	Phone calls; postcards; and clipping services	Nielsen audience figures; phone calls to stations; or audience information from Medialink	
KEF Media Associates 213 West Institute Place Suite 405 Chicago, IL 60610 (312) 951-5894	Cassette	$15,000 for 150 cassettes to local stations and network contacts by name	Yes: overnight letter with stamped self-addressed reply card to request VNR; phone calls to major media	Reply cards (20–25% average return); call all contacts; generate complete reports bi-weekly with all key data included	Arbitron audience figures	Operated by former public relations professionals; database of 5,000 + TV names, titles
Michael Klepper Associates 805 Third Avenue New York, NY 10022 (212) 644-1100	Cassette	$7,500 for 300 stations	Yes: phone calls	Phone follow-up with each station; postage-paid response cards; station airchecks; compilation reel of airchecks provided with final report	Arbitron figures for potential audience reached	Emphasis on producing cost-effective, high-quality, newsworthy VNRs that air on local stations, cable systems and network; specialize in targeted, personalized distribution approach; *No* VNR is ever sent unless specifically requested by station
Neal Marshad Productions 76 Laight Street 8th Floor New York, NY 10013 (212) 925-5285	Cassette, Satellite	$60 per cassette	Yes: phone calls to all stations before, during and after sending VNR; also use Medialink's station alerts	Video-monitoring services; airchecks from radio/TV reports; reply cards sent with tape; phone calls	Arbitron daypart audience summaries; TV Digest; Nielsen audience figures for specific show	
Medialink 708 Third Avenue New York, NY 10017 (212) 682-8300	Satellite, Cassette	$4,350 for satellite distribution & usage monitoring to full nation (775 stations); $6,450 for satellite distribution & usage monitoring to full nation plus 50 cassettes Fed-Ex'd to specific reporters	Yes: proprietary Medialink/AP Express newswire reaching 650 newsrooms; AP Integrated FAX to additional 125; 100 phone calls to targeted reporters	Exclusive Nielsen Media Research weekly survey of 125 local news producers; Luce's & Burrelle's video monitoring transcripts; electronic database transcript retrieval; confirmation phone calls to reporters phoned prior to distribution; direct mail survey responses	Nielsen audience figures for specific show	Operates full-service offices in Chicago, Los Angeles, and Washington, DC; Medialink/AP Express newswire is used by every network and news syndicator to reach their affiliates with satellite feed information

VNR Update

The following information is intended to give practitioners a better sense of the distribution and tracking methods of a variety of suppliers. The information was provided by the companies themselves, and is therefore only as reliable as they are.

Company	*Primary Method of Distribution**	*Sample Distribution Rates, 1989*	*Does Company Notify Stations Before Sending Video?** If So, How?*	*Methods for Determining Station Usage (Standard Package)*	*Methods for Determining Audience Figures*	*Additional Information*
Audio/TV Features 149 Madison Avenue New York, NY 10016 (212) 889-1327	Satellite	$2,350 for satellite delivery to 700–750 stations (includes total distribution package)	Not Available	Based on station preference; FAX; telex; UPI-TV newswire to 275 stations (some overlap); phone calls to 100 targeted stations (700 total notified)	Phone calls; reports from monitoring services	
The Bader Group 325 East 64th Street New York, NY 10021 (212) 744-4328	Cassette	$18,500–$22,000; will only accept entire production package, produced, edited, scripted and distributed by TBG for domestic VNR	Yes: combination of phone calls and notification letters to network news feed, national programs and targeted TV newscasts	Phone calls and research with LTS Advertising Services (recording news in top 25 markets and national programs)	Nielsen audience figures for specific show/newscast	Will not accept assignment unless it has good chance of getting on air
Broad Street Productions 50 Broad Street New York, NY 10004 (212) 232-8031	Satellite, Cassette	$10,000–$20,000 (including production)	Yes: via newswire; teleprinters; telex; FAX; phone and personal contact with stations	Nielsen; Sigma; reply cards; radio and TV reports; Burrelle's	Formula based on data used to determine station usage	
The Broadcast Center 1615 L Street, NW Suite 100 Washington, DC 20036 (202) 659-0627	Satellite	$4,747 for two satellite feeds; $4,271 for one satellite feed; both to 650 stations	Yes: pitch letter to 650 + stations; 200 phone calls; UPI-TV newswire to 275 stations	Television monitoring; an average of 150 phone calls; final report includes confirmed users and those holding for future use (also, any station comments)	Arbitron audience figures for specific shows	In-house post-production facilities; international network of crews
Business Television 1010 Wisconsin Avenue, NW Suite 210 Washington, DC 20007 (202) 337-5765	Satellite, Cassette	$2,750–$3,675; depending on number of phone calls, type of written notification, and satellite time	Yes: placement phone calls to target markets; mail and/or wire notification depending on client preference	Follow-up phone calls; Burrelle's if desired	Arbitron audience figures	Packages customized to clients' needs; emphasis on personal contact with editors; placement calling service available
Communique Media 100 West 87th Street Suite 4D New York, NY 10024 (212) 496-8014	Cassette	Not Available	Yes: personal pitch letter with VNR; phone calls; wire service	Reply cards; phone calls (as many as necessary to get answer); final report includes all confirmed users and those holding for future use; also gives equivalent advertising value for each exposure	Arbitron audience figures for specific show	Both produce and distribute VNRs; also, Spanish language distribution program (35 Spanish broadcasts in U.S. and Puerto Rico)

*Many companies that use cassettes as their primary distribution method do turn to satellite for fast-breaking stories.
**Companies sending by satellite must prenotify so stations know when to downlink program.